

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2014 (U39M).

Application 12-11-009
(Filed November 15, 2012)

And Related Matter.

Investigation 13-03-007

**DECISION GRANTING COMPENSATION TO ALLIANCE FOR NUCLEAR
RESPONSIBILITY FOR SUBSTANTIAL CONTRIBUTION TO
DECISION 14-08-032**

Intervenor: Alliance for Nuclear Responsibility (A4NR)	For contribution to Decision 14-08-032
Claimed: \$270,883.79	Awarded: \$237,052.54 (12.5% reduction)
Assigned Commissioner: Michel Peter Florio	Assigned ALJ: ALJ Division¹

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	D.14-08-032 resolves PG&E's test year 2014 general rate case, as well as the 2015 and 2015 attrition years. The two elements upon which A4NR focused were the ongoing oversight of expenditures for the Diablo Canyon Long Term Seismic Program (LTSP) as well as ensuring that Diablo Canyon transfer of spent nuclear fuel (SNF) to dry casks comports with the recommendations of the California Energy Commission (CEC) in the AB 1632 Report to accelerate such transfers. D.14-08-032 applies balancing account treatment to LTSP costs and makes them subject to reasonableness review in PG&E's annual ERRRA Compliance proceeding, and conditioned the build-out of the Diablo Canyon Interim Spent Fuel Storage Installation (ISFSI) upon submittal of an acceptable plan for compliance with the CEC recommendations.
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¹ This proceeding was originally assigned to Judge Pulsifer, who has since retired.

**B. Intervenor must satisfy intervenor compensation requirements set forth in
Pub. Util. Code §§ 1801-1812:**

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference (PHC):	1/11/13	1/11/13
2. Other specified date for NOI:		
3. Date NOI filed:	2/5/13	2/6/2013
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:		A.10-01-022
6. Date of ALJ ruling:		July 2, 2010
7. Based on another CPUC determination (specify):	D. 14-01-030	D.14-01-030 grants compensation for contribution to D.12-09-008.
8. Has the Intervenor demonstrated customer or customer-related status?		Yes.
Showing of "significant financial hardship" (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.12-11-009	Verified.
10. Date of ALJ ruling:	3 3/29/13	Required additional showing to accompany claim (See Supplement to Intervenor Compensation Claim, 5/11/2015).
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes (per additional showing).
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.14-08-032	Verified.
14. Date of issuance of Final Order or Decision:	8/20/14	Verified.
15. File date of compensation request:	10/7/14	Verified.
16. Was the request for compensation timely?		Yes.

PART II: SUBSTANTIAL CONTRIBUTION**A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a), and D.98-04-059).**

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p>1. A4NR recommends (Opening Brief, p. 17; Reply Brief, p. 9) :</p> <ul style="list-style-type: none"> the LTSP forecast cost of \$4.84 million for Test Year 2014, including approximately \$2.0 million for the SSHAC process, as well as the associated amounts for the two attrition years, should be added to the Diablo Canyon Seismic Studies Balancing Account ("DCSSBA"), subject to the same annual ERRRA Compliance proceeding and Tier 3 Advice Letter provisions adopted for the DCSSBA in D.12-09-008. PG&E's LTSP and SSHAC activities should be subject to the same review by the Commission's Energy Division Director and Independent Peer Review Panel as specified for other DCSSBA-funded activities in D.12-09-008. 	<p>Ordering Paragraph 29: "The Alliance for Nuclear Responsibility Proposals to limit recovery of Pacific Gas and Electric Company's (PG&E) nuclear operation costs, as detailed in Section 6 and in the applicable Conclusions of Law of this decision, is granted to the extent noted below.</p> <p>"a. PG&E is directed to transfer \$4.84 million in Long Term Seismic Plan (LTSP) Costs from its forecasted revenue requirement in this proceeding to the Diablo Canyon Seismic Study Balancing Account (DCSSBA) previously adopted in Decision (D.) 12-09-008. The LTSP costs shall be subject to the same Energy Resource Recovery Account Compliance proceeding and Tier 3 Advice Letter provisions adopted for the DCSSBA in D.12-09-008. PG&E shall file a Tier 1 advice letter to modify its existing DCSSBA tariff to reflect this authorization to include the costs for the LTSP. The tariff modification shall be for an effective date of January 1, 2014."</p>	<p>Yes.</p>

<p>2. A4NR recommends (Opening Brief, p. 17; Reply Brief, p. 9):</p> <ul style="list-style-type: none"> • approval of PG&E's request for \$26.1 million to construct the remaining five pads at the IFSFSI and \$19.6 million for transfers of spent fuel to dry casks in 2015 and 2016 should be conditioned upon PG&E's filing with its next General Rate Case a satisfactory plan to comply with the prior direction of the CEC's AB 1632 Report. 	<p>Ordering Paragraph 29: "The Alliance for Nuclear Responsibility Proposals to limit recovery of Pacific Gas and Electric Company's (PG&E) nuclear operation costs, as detailed in Section 6 and in the applicable Conclusions of Law of this decision, is granted to the extent noted below...</p> <p>"b. PG&E is directed file in its next General Rate Case a satisfactory plan to comply with California Energy Commission recommendations regarding the transfer of spent fuel to dry cask storage in its Assembly Bill 1632 Report. PG&E's forecast of \$26.1 million to construct the remaining five pads at the Independent Spent Fuel Storage Installation in 2014 is approved subject to and conditional on PG&E's compliance with this directive."</p>	<p>Yes.</p>
<p>3. A4NR disputes PD's conclusion that the Commission is pre-empted by federal law from achieving state interests of closer oversight of PG&E's seismic program, as well as the pace of transfer of SNF to dry casks at the Diablo Canyon ISFSI (Opening Comments on PD, pp. 1 – 7).</p>	<p>Conclusion of Law 30: "In general recognition of the uncertainties regarding the long-term seismic vulnerabilities of Diablo Canyon Power Plant, the Commission retains the discretion to exercise its options as may be deemed necessary to protect ratepayers from unreasonable costs if Diablo Canyon was to no longer be operational."</p> <p>Conclusion of Law 31: "This Commission has legal authority to oversee seismic study activities relating to Diablo Canyon and to condition approval of PG&E's cost recovery of \$26. 1 million to construct the remaining five pads at the ISFSI in 2014 upon PG&E's submittal of a plan to expedite the transfer of spent fuel to dry casks while maintaining compliance with NRC cask and pool spent fuel storage requirements."</p>	<p>Yes. Comparison of Conclusions of Law 30 and 31 in the Proposed and Final Decisions shows that the Final Decision was revised consistent with the Intervenor's position regarding Commission jurisdiction.</p>

<p>4. A4NR argues that deficiencies in PG&E's seismic program compel closer Commission oversight of the LTSP (Opening Brief, pp. 2 – 9, 14 – 15; Reply Brief, pp. 2 – 7; Opening Comments on PD, pp. 10 -- 12).</p>	<p>Finding of Fact 190: "It is reasonable to adopt the A4NR proposal to remove \$4.84 million in LTSP costs from this GRC and transfer the costs to the balancing account adopted in D.12-09-008 as a ratemaking mechanism for seismic studies."</p>	<p>The fourth and fifth claimed contributions are subsumed in the first and second claimed contributions above.</p>
<p>5. A4NR argues that the Commission should require PG&E to follow the recommendations of the CEC's AB 1632 Report regarding SNF transfer to dry casks at Diablo Canyon by conditioning its approval of the ISFSI build-out (Opening Brief, pp. 9 – 11; 15 – 16; Reply Brief, pp. 7 – 8; Opening Comments on PD, pp. 7 – 10, 12 – 13).</p>	<p>Finding of Fact 191: "It is reasonable to adopt the A4NR proposal to place conditions on approval of PG&E's cost recovery of \$26.1 million to construct the remaining five pads at the ISFSI in 2014. Since 2015 and 2016 revenue increases are limited to the attrition mechanism adopted in Section 12 of this decision, the A4NR proposal is moot as it relates to PG&E's proposed \$19.6 million to transfer spent fuel to dry cask storage in 2015 and 2016."</p>	<p>See CPUC discussion of fourth claimed contribution above.</p>
<p>6. A4NR argues that deficiencies in PG&E's post-Fukushima seismic reviews for the NRC compel a more vigilant approach to oversight by the Commission (Opening Brief, p. 1 – 9, 11 – 15, 17; Reply Brief, pp. 1 – 7, 9 – 10); Opening Comments on PD, pp. 10 – 12).</p>	<p>Finding of Fact 195: "In connection with the Long Term Seismic Program to study and update information on seismic hazards relevant to the safe operation of Diablo Canyon Power Plant, PG&E was to submit a draft report containing the most recent results of its seismic surveys to the Nuclear Regulatory Commission by mid-summer 2014. Depending on the results of the studies, the effects of any long-term seismic vulnerabilities may need to be addressed."</p>	<p>Verified.</p>

B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor's Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding? ²	Yes	Verified.
b. Were there other parties to the proceeding with positions similar to yours?	No	Accepted.
c. If so, provide name of other parties:		
d. Intervenor's claim of non-duplication: A4NR was the only party in the proceeding to address the conduct of PG&E's seismic program or pace of SNF transfer to dry casks at Diablo Canyon, so duplication of effort was not an issue.		Accepted.

PART III: REASONABLENESS OF REQUESTED COMPENSATION**A. General Claim of Reasonableness (§ 1801 and § 1806):**

a. Intervenor's claim of cost reasonableness: A4NR was the only party to address the adequacy of current oversight of PG&E's Long Term Seismic Program at Diablo Canyon, or the reasonableness of PG&E's slow pace of SNF transfer to dry casks from liquid pools. Both are subjects fraught with substantial potential costs to future ratepayers (e.g., PG&E's belated acknowledgement of the Hosgri Fault previously required a \$4.2 billion re-design midway through construction, and its leisurely transfer of SNF to casks threatens materially higher post-shutdown security costs, as extensively documented in A.12-12-012, the longer SNF stays in pools). A4NR's intervention led the Commission to take protective measures likely to materially reduce this prospect. Although there are too many variables to reliably quantify these benefits with precision, the cost of A4NR's intervention is well below the rounding error for such calculations.	<u>CPUC Discussion</u> A significant portion of the hours claimed are disallowed as unproductive (<i>See</i> Part III.D. below).
b. Reasonableness of hours claimed: This proceeding required intense litigation by A4NR, in no small part due to the extremely aggressive posture embraced by PG&E. A4NR conducted	<i>See</i> discussion above, III.A.a.

² The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p>extensive discovery, but needed to bring a motion to compel responses, and was forced to combat PG&E motions to strike A4NR's testimony and even to strike large portions of A4NR's Opening Brief. The evolving scope of the seismic and SNF transfer issues in parallel federal and state forums required considerable research by A4NR in order to present well-informed arguments to the Commission. PG&E's SSHAC workshops, and the Commission's Independent Peer Review Panel and Diablo Canyon Independent Safety Committee, were indispensable sources of contemporaneous information about the conduct of PG&E's seismic program, and A4NR devoted appropriate amounts of time to each in order to contribute most effectively to the Commission's decision in this proceeding. D.14-01-030 allowed A4NR's recovery for similar reasonable engagement in administrative processes related to PG&E's seismic program. With a PD that accepted PG&E's federal preemption argument to harshly limit Commission oversight, A4NR needed to mount a considerable effort in A.12-11-009 to persuade the Commission otherwise. A4NR's categorical success in doing so has enabled the Commission to lead the country in accelerating SNF transfer to dry casks (likely saving tens of millions of ratepayer dollars in reduced decommissioning costs) and, potentially, to establish a more robust scientific basis for evaluating the need for future Diablo Canyon seismic retrofits. These two features of D.14-08-032, direct products of A4NR's solitary effort, create likely ratepayer benefits many times greater than the cost of A4NR's intervention.</p>	
<p>c. Allocation of hours by issue: Greater LTSP Oversight – 70.6% Accelerated SNF Transfer – 28.1% General – 1.3%</p>	<p>See discussion above, III.A.a.</p>

B. Specific Claim **

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
John Geesman	2012	30.96	\$545	D.14-01-030	\$16,873.20	25.54	\$545	\$13,909.30
John Geesman	2013	288.91	\$555	Res. ALJ-287	\$160,345.05	51.14	\$555	\$131,962.35
John Geesman	2014	93.05	\$555	*No 2014 COLA yet applied	\$51,642.75	93.05	\$570	\$53,038.50
Rochelle Becker	2012	4.75	\$130	D.14-01-030	\$617.50	2.87	\$130	\$373.10
Rochelle	2013	22.42	\$135	Res. ALJ-	\$3,026.70	16.17	\$135	\$2,182.95

Becker				287				
Rochelle Becker	2014	27.95	\$135*	*No 2014 COLA yet applied	\$3,773.25	14.98	\$140	\$2,497.20
David Weisman	2012	42.05	\$80	D.14-01-030	\$3,364.00	40.17	\$80	\$3,213.60
David Weisman	2013	49.97	\$85	Res. ALJ-287	\$4,247.45	43.72	\$85	\$3,716.20
David Weisman	2014	26.05	\$85*	*No 2014 COLA yet applied	\$2,214.25	13.08	\$90	\$1,177.20
Subtotal: \$246,104.15						Subtotal: \$212,070.40		
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.): Travel Time								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
John Geesman	2012	24	\$272.50	½ of hourly rate	\$6,540.00	24	\$272.50	\$6,540.00
John Geesman	2013	24	\$277.50	½ of hourly rate	\$6,660.00	24	\$277.50	\$6,660.00
John Geesman	2014	8	\$277.50 *	½ of hourly rate *No 2014 COLA yet applied	\$2,220.00	8	\$285.00	\$2,280.00
Rochelle Becker	2013	8	\$67.50	½ of hourly rate	\$540.00	8	\$67.50	\$540.00
Rochelle Becker	2014	16	\$67.50	½ of hourly rate* No 2014 COLA yet applied	\$1,080.00	16	\$70.00	\$1,120.00
David Weisman	2013	28	\$42.50	½ of hourly rate	\$1,190.00	28	\$42.50	\$1,190.00
David Weisman	2014	16	\$42.50	½ of hourly rate *No 2014 COLA yet applied	\$680.00	16	\$45.00	\$720.00
Subtotal: \$18,910.00						Subtotal: \$19,050.00		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
John Geesman	2014	8.0	\$277.50	½ of hourly	\$2,220.00	8.0	\$285	\$2,280.00

				rate *No 2014 COLA yet applied				
David Weisman	2014	1.0	\$42.50	½ of hourly rate *No 2014 COLA yet applied	\$42.50	1.0	\$45	\$45.00
Subtotal: \$2,262.50						Subtotal: \$2,325.00		
COSTS								
#	Item	Detail			Amount	Amount		
	copying costs	provided in Attachment 5			\$474.89	\$474.89		
	postage costs	provided in Attachment 6			\$138.89	\$138.89		
	Becker & Weisman travel & lodging costs	provided in Attachment 7			\$2,548.01	\$2,548.01		
	Geesman lodging costs	provided in Attachment 8			\$445.35	\$445.35		
Subtotal:\$3,607.14						Subtotal:\$3,607.14		
TOTAL REQUEST: \$270,883.79						TOTAL AWARD: \$237,052.54		
<p>**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer’s normal hourly rate</p>								
ATTORNEY INFORMATION								
Attorney		Date Admitted to CA BAR ³		Member Number		Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation		
John Geesman		June 28, 1977		74448		No; please note from July 21, 1980 until February 4, 1981 Geesman was not eligible to practice law in California.		

³ This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

C. Attachments Documenting Specific Claim and Comments on Part III

Attachment or Comment #	Description/Comment
1	Certificate of Service
2	Time Records of John Geesman
3	Time Records of Rochelle Becker
4	Time Records of David Weisman
5	Copying costs
6	Postage costs
7	Becker & Weisman travel & lodging costs
8	Geesman lodging costs

D. CPUC Disallowances and Adjustments:

Item	Reason
Part III.A.a.b.	<p>The Commission disallows a total of 56.56 hours for attorney John Geesman (5.42 hours in 2012 and 51.14 hours in 2013) for lack of efficiency. The rationale and calculation of the disallowance follow.</p> <p>A4NR's participation was concerned entirely with PG&E's nuclear operations. These included a Long-Term Seismic Plan (LTSP). A4NR raised four issues regarding PG&E's LTSP. As relevant here, A4NR recommended that the Commission disallow 50% of PG&E's 2014 forecast costs for its activities related to the Senior Seismic Hazard Analysis Committee (SSHAC). A4NR submitted testimony asserting that much of these costs did not contribute to safe or reliable service; they instead should be analogized to advertising and should be borne by PG&E shareholders. PG&E argued, in rebuttal, that the LTSP and the SSHAC process involve consultant costs limited to technical seismic studies and peer reviews. PG&E also moved to strike portions of A4NR's testimony. The assigned ALJ granted the motion, and the ALJ's ruling was affirmed in D.14-08-032. (<i>See id.</i> At 408-10.) After the testimony was stricken, A4NR withdrew its recommendation for lack of evidentiary support (<i>Id.</i> at 410).</p> <p>The work in question, along with work on three other issues, does not disaggregate time to the issues related to SSHAC costs. Because this recommendation was one out of four issues, we will assume 25% of the hours A4NR allocates to the "Greater LTSP Oversight" were devoted to this recommendation. However, we will not deduct any hours from those claimed by Becker or Weisman; their activities seem to relate primarily to consultation, policy and strategy formulation, and attendance at events such as workshops and hearings. We also deduct no hours for those claimed by Geesman in 2014; A4NR litigated this recommendation in 2012 and 2013, and appears to have</p>

	<p>abandoned the recommendation thereafter.</p> <p>In sum, we calculate 70.6% of Geesman's total claimed hours in 2012 and 2013 to be related to the broad category of "Greater LTSP Oversight." This calculation yields 21.68 in 2012 and 204.51 hours in 2013. We then deduct one-fourth of those hours from the claim, or a total of 5.42 hours deducted in 2012 and 51.4 hours in 2013. The award summarized in Part III.B reflects the deduction of these hours.</p>
Part III.A.a.b.	<p>The Commission disallows a total of 42.2 hours consisting of 21.1 hours each from the hours claimed for Rochelle Becker and David Weisman. Becker and Weisman attended nine hearings and public meetings over the course of the proceeding. Today's decision compensates them for half their time in those events. Also, Weisman attended the full 9.0 hours of a meeting on 3/11/14, at which Becker was present for 4.5 hours. Today's decision compensates them for half of their respective hours in this meeting. Today's decision does not disallow any of the travel time and costs claimed for attendance at these events, nor does today's decision disallow any time claimed for joint attendance by Becker and Weisman at private meetings with A4NR's attorney.</p>
Part. III.B	<p>We awarded hourly rates for 2014 to reflect the COLA adopted in Resolution ALJ-303.</p>

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	No.
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?	Yes.

FINDINGS OF FACT

1. A4NR has made a substantial contribution to Decision 14-08-032.
2. The requested hourly rates for A4NR's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.

4. The total of reasonable compensation is \$237,052.54.

CONCLUSIONS OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.
2. The comment period on today's decision should be waived, and the order should be made effective immediately, to facilitate prompt payment of the award.

ORDER

1. Alliance for Nuclear Responsibility shall be awarded \$237,052.54.
2. Within 30 days of the effective date of this decision, the Pacific Gas and Electric Company shall pay Alliance for Nuclear Responsibility the total award. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning December 21, 2014, the 75th day after the filing of Alliance for Nuclear Responsibility's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____, 2015, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	No.
Contribution Decision(s):	D1408032		
Proceeding(s):	A1211009, I1303007		
Author:	ALJ Division		
Payer(s):	Pacific Gas and Electric Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Alliance for Nuclear Responsibility (A4NR)	10/7/14	\$270,883.79	\$237,052.54	N/A	Work on the Long-term Seismic Plan (LTSP) is disallowed, due to lack of substantial contribution.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
John	Geesman	Attorney	A4NR	\$545	2012	\$545
John	Geesman	Attorney	A4NR	\$555	2013	\$555
John	Geesman	Attorney	A4NR	\$555	2014	\$570
Rochelle	Becker	Advocate	A4NR	\$130	2012	\$130
Rochelle	Becker	Advocate	A4NR	\$135	2013	\$135
Rochelle	Becker	Advocate	A4NR	\$135	2014	\$140
David	Weisman	Advocate	A4NR	\$80	2012	\$80
David	Weisman	Advocate	A4NR	\$85	2013	\$85
David	Weisman	Advocate	A4NR	\$85	2014	\$90

(END OF APPENDIX)